

# SOYBEAN PRODUCTION

## COSTS AND RETURNS 1997 - 1998

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	1997	1998	1997	1998	1997	1998
Gross value of production	Dollars Per Planted Acre					
Primary product: Soybeans	281.22	223.17	292.05	237.36	248.76	175.36
Total, gross value of production	\$281.22	\$223.17	\$292.05	\$237.36	\$248.76	\$175.36
Operating costs:						
Seed	19.72	20.46	19.59	19.77	20.83	21.32
Fertilizer	8.00	8.00	7.20	7.23	20.01	19.88
Soil conditioners	0.10	0.10	0.09	0.08	0.43	0.45
Manure	0.86	0.80	1.00	0.91	0.16	0.15
Chemicals	26.37	26.65	26.85	27.31	24.75	25.64
Custom operations	5.85	5.84	5.94	5.93	3.66	3.63
Fuel, lube, and electricity	7.14	5.97	6.42	5.35	5.73	4.25
Repairs	9.40	9.59	8.64	8.91	7.75	7.88
Purchased irrigation water	0.05	0.05	0.00	0.00	0.00	0.00
Interest on operating capital	1.98	1.86	1.94	1.81	2.13	1.99
Total, operating costs	\$79.47	\$79.32	\$77.67	\$77.30	\$85.45	\$85.19
Allocated overhead:						
Hired labor	1.94	1.98	1.25	1.29	1.97	2.08
Opportunity cost of unpaid labor	17.63	18.11	17.31	17.73	29.99	30.91
Capital recovery of machinery and equipment	49.61	50.66	46.56	47.99	47.08	47.90
Opportunity cost of land (rental rate)	76.74	77.66	86.67	87.96	40.37	29.71
Taxes and insurance	6.76	6.89	6.84	6.97	5.65	5.75
General farm overhead	13.68	12.94	14.22	13.40	10.60	10.00
Total, allocated overhead	\$166.36	\$168.24	\$172.85	\$175.34	\$135.66	\$126.35
Total, costs listed	\$245.83	\$247.56	\$250.52	\$252.64	\$221.11	\$211.54
Value of production less total costs listed	35.39	-24.39	41.53	-15.28	27.65	-36.18
Value of production less operating costs	201.75	143.85	214.38	160.06	163.31	90.17
Supporting information:						
Yield (bushels per planted acre)	43	43	45	46	36	32
Price (dollars per bushel at harvest)	6.54	5.19	6.49	5.16	6.91	5.48
Enterprise size (planted acres) <u>1</u> /	220	220	225	225	130	130
Production practices: <u>1</u> /						
Irrigated (percent)	5	5	2	2	0	0
Dryland (percent)	95	95	98	98	100	100

The costs and returns estimates for some commodities will appear different this year than in the past. For corn, soybeans, cotton, grain sorghum, peanuts, and cow-calf enterprises, Economic Research Service is revising its accounting methodology to conform with the new stands recommended by the American Agricultural Economics Association (AAEA) Task Force on Commodity Costs and Returns. For these same commodities, ERS is publishing regional estimates using new resource regions. Western Kentucky is considered Heartland while eastern Kentucky is included in Eastern Uplands. 1/For 1997 survey base year only.